

AMENDED IN SENATE MAY 20, 2010

AMENDED IN SENATE APRIL 21, 2010

SENATE BILL

No. 1236

Introduced by Senator Alquist
(Coauthor: Assembly Member Beall)

February 19, 2010

An act to add and repeal Section 14133.55 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 1236, as amended, Alquist. Medi-Cal: utilization controls.

Existing law establishes the Medi-Cal program, administered by the State Department of Health Care Services, under which basic health care services are provided to qualified low-income persons. The Medi-Cal program is, in part, governed and funded by federal Medicaid provisions.

Existing law establishes a program in Alameda County in which utilization controls shall not be required when, pursuant to federal law under the Medicare Program, a county hospital based utilization review committee has been established to determine the level of authorization for payment under Medi-Cal and a utilization plan has been filed with, *and approved by*, the department ~~and approved by it~~.

This bill would establish a program, whereby state utilization controls shall not be required for inpatient hospitalization at designated public hospitals, as defined, *with participation being optional for each hospital. The bill would require the department to consult with designated public hospitals in the development of the program.* The bill would require the nonfederal share of expenditures for inpatient hospitalization at designated public hospitals submitted to the federal Centers for Medicare

and Medicaid Services for purposes of claiming federal financial participation *pursuant to the above-described provisions* to be comprised of only those funds that are paid *and certified* by designated public hospitals ~~and certified by counties~~ in accordance with applicable state and federal requirements. *The bill would, to the extent the program increases the net costs to the state, require the participating designated public hospitals to agree to pay the state's additional administrative costs through an intergovernmental transfer of funds.*

This bill would provide that the above-described provisions shall become inoperative on the date the Director of Health Care Services executes a declaration specifying that the nonfederal share of expenditures for inpatient hospitalization at designated public hospitals used for purposes of claiming federal financial participation is not comprised of funds that are paid *and certified* by designated public hospitals ~~and certified by counties~~ in accordance with applicable state and federal requirements.

This bill would require the department to seek any necessary federal approvals, including waivers and state plan amendments, for implementing the above-described program, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 14133.55 is added to the Welfare and
- 2 Institutions Code, to read:
- 3 14133.55. (a) There shall be established a program whereby
- 4 state utilization controls shall not be required for inpatient
- 5 hospitalization at designated public hospitals, as defined in
- 6 subdivision (d) of Section 14166.1.
- 7 *The department shall consult with designated public hospitals*
- 8 *in the development of the program established pursuant to this*
- 9 *subdivision. Each designated public hospital shall have the option*
- 10 *to participate in the program established pursuant to this*
- 11 *subdivision.*
- 12 *(b) The department shall seek any necessary federal approvals,*
- 13 *including waivers and state plan amendments, for implementing*
- 14 *the program established pursuant to subdivision (a) in a manner*
- 15 *that will comply with applicable federal Medicaid requirements*
- 16 *and allow designated public hospitals to obtain federal financial*

1 *participation for inpatient hospitalization at designated public*
2 *hospitals.*

3 ~~(b)~~

4 (c) The nonfederal share of expenditures for inpatient
5 hospitalization at designated public hospitals submitted to the
6 federal Centers for Medicare and Medicaid Services for purposes
7 of claiming federal financial participation *pursuant to this section*
8 shall be comprised of only those funds that are paid *and certified*
9 by designated public hospitals ~~and certified by counties~~ in
10 accordance with applicable state and federal requirements.

11 ~~(e)~~

12 (d) This section shall become inoperative on the date the
13 Director of Health Care Services executes a declaration specifying
14 that the nonfederal share of expenditures for inpatient
15 hospitalization at designated public hospitals used for purposes of
16 claiming federal financial participation is not comprised of funds
17 that are paid *and certified* by designated public hospitals ~~and~~
18 ~~certified by counties~~ in accordance with applicable state and federal
19 requirements, and as of that date is repealed.

20 ~~(d)~~

21 (e) Notwithstanding Chapter 3.5 (commencing with Section
22 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
23 the department shall implement this section by means of policy
24 letters or similar instructions, without taking further regulatory
25 action.

26 (f) *To the extent that the program established pursuant to*
27 *subdivision (a) increases the net costs to the state, the participating*
28 *designated public hospitals shall agree to pay the state's additional*
29 *administrative costs through an intergovernmental transfer of*
30 *funds.*

31 (g) *This section shall be implemented only to the extent federal*
32 *financial participation is available.*